

**REPORT OF THE US SECURITIES AND EXCHANGE COMMISSION (SEC) TO THE
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) CONCERNING
TECHNICAL ASSISTANCE TO INDIA UNDER THE FINANCIAL INSTITUTIONS
REFORMS AND EXPANSION PROJECT, PHASE II**

PASA NUMBER 386-P-00-01-00087-00

PROJECT NUMBER 386-0531

FOR THE QUARTER ENDED MARCH 31, 2005

The SEC provides technical assistance to India pursuant to a Participating Agency Service Agreement (PASA) with USAID dated May 4, 2001. This report describes the SEC's activities under the PASA for the quarter ending March 31, 2005.

ACTIVITIES DURING THE QUARTER

SEBI Enforcement Assessment

At the request of USAID and the Securities and Exchange Board of India (SEBI), during March 2005 James Clarkson, SEC Director of Regional Office Operations in its Division of Enforcement and Paul Gonson, former solicitor for the SEC, conducted an on-site assessment of SEBI's enforcement. The team produced a report that examined the structure and process of the SEBI enforcement program and made a number of recommendations intended to make the SEBI enforcement more effective. Copies of the report have been delivered respectively to USAID and the SEBI.

The two-team members and the SEC are continuing to work with the SEBI to strengthen its enforcement program by adopting a number of the changes recommended in the report and provide training on investigating and prosecuting securities law violations.

Under agreement with USAID, Mr. Clarkson's expenses are reimbursed under the PASA and Mr. Gonson's by the on-site private sector USAID contractor.

REIMBURSABLE SEC STAFF TIME AND EXPENSES

The following SEC staff member rendered reimbursable assistance during the quarter:

James Clarkson, Office of Enforcement	88 hrs.
Ester Saverson, Office of International Affairs	22 hrs.
Robert Strahota, Office of International Affairs	2 hrs.
Total	112 hrs.

Based upon the composite hourly rate of \$95.14 per hour,¹ as established under the PASA, the SEC's reimbursable time charges incurred during the quarter were \$10,656. Overseas travel expenditures were \$2870 resulting in overall G&A expenditures of \$2029. Accordingly, the SEC will submit a claim for reimbursement of \$15,555 under the PASA (See the attached financial report for additional details).

April 7, 2005

Respectfully submitted,



Robert D. Strahota
Assistant Director
Office of International Affairs

Financial Report

¹ Effective January 1, 2005, the hourly rate for reimbursement of SEC staff time under the PASA was calculated as \$95.14 in accordance with the annual adjustment formula set forth in the PASA.